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State Socialism:

IS IT JUST AND
REASONABLE?



REPORT OF A DEBATE

BETWEEN

H. QUELCH and Mr. W. SIMPSON,

AT THE

CORPORATION HALL, BURNLEY.

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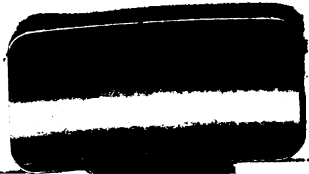
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STATE SOCIALISM : IS IT JUST AND REASONABLE ?

Report of a Debate between H. Quelch and Mr. W. Simpson at
the Corporation Hall, Burnley. Revised and reprinted
from the *Burnley Gazette*

The room was crowded both afternoon and evening, and the greatest interest was taken in the debate. Mr. Foulds presided in the afternoon, when each of the disputants occupied two half-hours.

H. Quelch, in opening the discussion, said opponents of State Socialism seemed to have in their minds a kind of State which represented a super-imposed authority altogether apart from the people ; which was altogether despotic, and which imposed upon the people cast-iron regulations over which the people themselves had no control. When Socialists talked about a State they meant a democratic State, representative of the whole people ; and to-day the people of all countries were progressing towards such a democratic State. A truly democratic State must be complete master of its own existence—that is, the whole people should own the material necessities of existence. He claimed that such a proposition as that was just and reasonable. The present system was unjust and unreasonable, and he should claim that he had proved his case unless Mr. Simpson had any other alternative than State Socialism to offer to the present system. This democratic State, then, should control all the material necessities of human existence.

LAND SHOULD BE COMMON NATIONAL PROPERTY,
and not private property at all. Land was the gift of nature or of God, whichever term they liked to use, and no man had a right to lay claim to it, for no man made it. Here they had a natural gift, and it should be enjoyed by all, just as the air we breathe. Even if the absolute power which the ownership of land gave to the landlord were always used wisely and well it would not be just. But unfortunately the power was not always so used. On the contrary, it was too often used with

the greatest of that "inhumanity to man which makes countless thousands mourn." We constantly had to complain of the excesses of landlordism in Ireland, Scotland, and other parts of the United Kingdom. But it all rested upon the substratum of landlordism itself, which was unjust. If it was right for an individual to own the soil of a country then he had a right to do what he liked with it, but if he had not the right to do what he liked with the land that belonged to him then the country had no right to let him own that land at all. What was true of land was true of the other instruments of production. In political economy there were three elements of production, land, labour, and capital. Capital was the term applied to all those instruments of production other than land—which included raw material—and labour, and these implements of production being necessary to the existence of any civilisation ought not to be under the control of any individual. The present system of class ownership of land and the means of production known as capital meant the exploitation of the great mass of the people by a small class in the interests of the small class, and as a result of that they saw in every industrial centre thousands of people in want and misery, and their want and misery taken advantage of by the classes who own the means of production in order to rob them. If there were no proletarian—an individual possessing no property whatsoever except his bare labour—there would be no capitalists, and if there were no capitalists there would be no capitalism and no profit to be made by the

EXPLOITATION OF THE PROLETARIAN.

That was what the whole commercial system of to-day rested upon—the exploitation of the propertyless labourer. The man forced into the market to sell his labour because he had nothing else to sell was taken advantage of by the landlord and capitalist in order to rob him of everything he produced except what would just keep him alive and enable him to go on working. (Cheers.) The whole attention of the capitalists of to-day was directed, not to producing wealth or supplying human wants, but to making a profit for the capitalist and the landlord. They had lately had an illustration of how that worked in the Lancashire cotton trade. The employers went on producing cloth, without regard to the needs of the world or anything else in order to make a profit. They had suffered throughout Lancashire, and in a minor degree throughout the kingdom in consequence of the Oldham strike or lock-out. That stoppage arose as a necessary result of existing economic conditions in

which production is carried on simply for a profit and without any regard to supplying human needs or to what other capitalists are doing. In consequence of that mad rush for profit they had eventually extinguished profits altogether. They had glutted the markets until prices ran so low that there was no margin of profit, and they came to the workers and demanded that they should accept a reduction in wages. The demand for a reduction was apparently justified by the low prices which were brought about by overproduction. The workpeople very naturally resisted this attempt to make them suffer, and the result was that thousands of people were thrown out of work because they had been too industrious and produced too much. Many of them had had to go without food because there was too much food in the country, and some of them had to go shivering in rags because too many clothes had been produced ; and that was the reward of industry. (Hear, hear.) That was under the capitalist system in which the most industrious were the first to suffer and to be in want. It might be urged by his opponent that while it would be all very well to make land public property, capital at any rate was the result of labour, and therefore must rightly belong to the individual.

He urged that capital was used to-day for the purpose, not of producing wealth *per se*—but of producing profit, and it was not the result of the labour of the capitalist himself, nor was it in the majority of cases the result of individual labour, but the result of social labour, and only possessed a value under certain social conditions. The Lancashire and Yorkshire Railway, for instance, would be of no value in Uganda ; it was only valuable because of the population in Lancashire. Moreover, it was the result of social labour. It was, therefore, not right that any particular individual or class should lay claim to it. Not only was this so with regard to material wealth. Mankind to-day was the inheritor of the learning and experience of all the ages. All the machinery and inventions applied to production were the result of the experience and investigations of past ages. These, they claimed, should be the inheritance, not of a class, but of all mankind. It was not the greatest inventors and the greatest men of genius that had made their pile, for the greatest of them died of starvation. It was the capitalists who had exploited the inventors, who had sucked other men's brains, who had made their piles. (Cheers.) All our great inventions, such as steam, railways, electricity, our immense factories, &c., were subservient to this

graded our womanhood, starved and stunted our children, and emasculated and sent to a premature grave our manhood. Capitalism was taking advantage of all these inventions in order to use them, not for the benefit of the human race at all, but for the exploitation of the great mass of the people. Socialism proposed that land and capital should be national or State property in order that they might be used for the benefit of all. He maintained that this was just, because it meant the placing under control of the people all the land and raw material without which human existence was impossible, and it was reasonable because it was just and was practicable. Society was the result of evolution. We had arrived at the stage now in which all our industries were carried on, not by individuals, but by huge joint stock concerns, the shareholders in which had no more part in the management of them than the whole community would have in the management of anything which would be managed by the paid officials of the whole community, and these huge concerns to-day might just as well be run in the interests of the community and be managed by the paid officials of the community. What was true of railways was true of all other industries. This economic evolution was gradually

ELIMINATING THE CAPITALIST

and proving him to be absolutely useless. To-day the only function he performed was that of the idle drawer of a dividend. The most important of our great concerns were socialistic in the sense of being worked by huge masses of people directed and organised by officials, and all the capitalist did was to be practically a pensioner on the labour of the great mass of the community. Where the whole of the people did not, either individually or collectively, own the means of production, there was slavery, because that portion of the community which had no share in such ownership was dependent on others for the right to exist. We could not go back to the old system of individual ownership, but must press forward to collective ownership. To-day the whole people were dependent on a class for their existence because that class dominated the means of production. The domination of the instruments of production by a class was the cause of most of the misery which we all deplored, and a Social Democratic State owning and controlling all these economic forces was the only solution of the problem. (Cheers.)

Mr. Simpson contended that the alternative was not between things as we have them to-day and State Socialism as advocated by Mr. Quelch. Although he might admit that our State was an ideal one, it was one thing for Mr. Quelch to prove that

certain things prevailing to-day were undesirable, and a different thing to prove that State Socialism was the only alternative. Mr. Quelch said that by the *Stâté* he meant the whole people, but suppose a minority of the people did not approve of a State such as he had described. Would they be permitted to carry on their industries in their own way apart from the State, or did Mr. Quelch simply mean that the majority of the people should impose their decision on the minority of the people against their consent? If he meant the latter it was clear he did not mean the whole of the people, but the majority of the people, and it did not necessarily follow that the majority would have the weight of intelligence on their side. He hoped Mr. Quelch would explain this point in future speeches. Mr. Quelch also affirmed that as capital was a social product the people had a social right to its ownership. Now here again he either meant the whole of the people or some of the people. If he meant the whole of the people he meant that each individual composing that sum total had certain particular rights, otherwise he made rights to come out of the simple grouping of large numbers. He should like to know whether there were State rights apart from any individual rights, and if he held that there were, to say at what process of the grouping of numbers the rights came into existence? He should like Mr. Quelch also to say how he could possibly derive any rights existing in a State unless he derived them from the people composing the State. Mr. Quelch used a number of what Bentham used to call question - begging epithets. He went on to classify the capitalist with the burglar. He (Mr. Simpson) contended that this wholesale designation was not justified by the facts. Despite the conditions that had militated against the rights of men, the condition of the people to-day was far better than it was fifty years ago, and large numbers of people were to-day capitalists who were not capitalists fifty years ago. He also urged that although Mr. Quelch and his friends might have an idea to own all the implements of production for the common benefit they ought not to blind their eyes to the means by which they proposed to obtain that end. What Mr. Quelch had failed to give them in that respect he proposed to supply. In the programme of the Social-Democratic Federation to which Mr. Quelch was one of the signatories it was stated that "railways shall be appropriated by the State with or without compensation." Now what was true of railways was true of all other things. State Socialism proposed to take them over, with or without compensation. he supposed as the humour suited them at the time. If t'

proposals were carried into effect the very class that Mr. Quelch said were robbed at the present time (the workers) would be robbed in turn by the State Socialists. (Cheers). It was a fact of rather startling significance that large numbers of men owned capital, to the ownership of which they were not indebted to any one but themselves and he contended for those men, whether they were large capitalists or small, they had a perfect right to the production of their own labour, that was to the saved up capital, and it was neither just on the part of the democrats, aristocrats, or kings to take from them that capital which had been the product of their own labour. (Cheers). If it be true that there were large numbers of workers to-day owning capital either in small or large quantities, workers who had worked when other people had shirked their work and men who had saved when other people had been spending, it would be an act of the greatest injustice, and the

MOST FLAGRANT ROBBERY,

to take from those people their savings and to throw them into the common coffers of the State for the general well-being. (Cheers.) He contended that whatever a man had produced with the wages that he earned, be it £2 or £10 a week, the product of that wage belonged to him and to nobody else, and it was not for the State to come in and say you are getting more than your share, and we propose to take something from you in order to give it to somebody else. Although the end of giving to somebody who had not much and taking from somebody that had, might be a good thing, the means were despicable in the extreme, and worthy of the hostility of all men who wished to see any justice between man and man. He found there were to-day 583,830 members of building societies, owning £52,611,198. There were 284,976 members of trade unions. There were considerably over 1,500,000 who had capital invested in co-operative concerns. Nine-tenths of these capitalists were people who had saved the money which was thus invested. There were a large number of working men too, in the truest sense of the term, who had money invested in railway shares, which the Socialists proposed to appropriate with or without compensation. These proposals were in the first place unjust, and they would bring about not an incentive to thrift, not an incentive to the worker as contrasted with the shirker, but they would mean the downfall of everything in the shape of justice and progress, and mean the enthronement of mediocrity as king of the day. (Cheers). Mr. Quelch argued that certain things derived their

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from the position they occupied in society, and instanced

railways. Although it was true that a large amount of the profit was made through the particular situation of any industry or enterprise, yet the

PEOPLE WHO HAD TAKEN THE RISK,

who had put capital in the concerns, were entitled to the profits that accrued to those concerns, and not somebody else who had stood aside and not risked a penny in the undertakings. If Mr. Quelch's position was true, then capital had no rights. Yet Mr. Quelch admitted that capital was one of the elements of production. Most capital was the result of saved up labour. A thrifty man, who out of £2 or £3 a week saved £1 a week to buy a machine, that machine represented so much saved up labour, and any increased value that might accrue to that man by the use of that machine, was due to him, and not to somebody else whose saved up labour had not gone to its purchase. (Hear, hear, and laughter). That position was either sound or unsound. If it was unsound, it was an easy matter for Mr. Quelch to show that the man who saved was not saving his own money in the first place, and that all of us, although we had no right to our individual wages, had somehow or other a right to somebody else's. (Laughter and cheers.) One of these two positions must be taken up. Either a man had a right to his own wages and the profits accruing from them or he had not. For the life of him he could not see how, if individuals had not a right to all the wages they earned, any collective number of individuals could be said to own anything at all. Mr. Quelch affirmed what was contradicted by the facts that inventors did not derive any advantage from their individual invention. But if Mr. Quelch's argument was right the inventor had no right to claim anything, because he told them later on that we inherited a legacy of the past, and he supposed he would apply that argument not only to the industrial life of the nation but to its mental and moral life. At all events Mr. Sidney Webb did, and if that argument were true, an inventor had no right to any of the profits accruing from his invention. Let them imagine a condition of society propounded by Mr. Quelch in which not the whole of the people but a part of the people regulate all things for the benefit of the whole. Let them imagine a condition of society in which a certain number protested against the management of the majority, and the minority being defrauded of their rights by the majority, and then say the rights belonged to the whole. The position contradicted and refuted itself. If Mr. Quelch believed that rights were the creation of the State, that minorities had no rights except what they derived from the majority,

that majorities had a perfect right to do as they liked, he could understand the position. But to say that the State was the whole of the people, and then to propose to impose a system of industrial legislation on the minority of people against their will was to refute the very position he took up. The position advocated by Mr. Quelch was one they were justified in disbelieving on the ground of any attempts that had been made in that direction. Wherever the State had undertaken any kind of industry, and where private competition had been permitted to exist side by side with it, the private competition had been far more efficient, far more economical, and the extension of the functions of the State would create more and more inefficiency. The inevitable tendency of all organisations as they increased their functions was to become less and less elastic and more and more rigid. Finally, he affirmed that the principle advocated by Mr. Quelch was subversive of all the principles of justice between man and man, and was unreasonable and unworthy of credence. (Cheers.)

Mr. QUELCH said his opponent quibbled about the whole of the people and majorities and minorities, and talked a great deal about individual rights, but the first right, individual or collective, was the right to exist ; but to-day the great mass of the people had no right of existence. Unless Mr. Simpson could show them any other way out of that condition except by State Socialism, any objections that might be urged to State Socialism were as dust in the balance when compared with the gross evils of the present system which denied to the mass of the people the right to live. Mr. Simpson asked whether in a Socialist State the minority who did not approve of the arrangements would be allowed to carry on their own industries. He would say certainly, if they liked, but he did not think they would like. For instance, any man who was dissatisfied with the Lancashire and Yorkshire Railway could go and make a railway of his own along side it, but there was not a man who would not prefer to put up with the railway as it was rather than start one of his own. If they could go back to the old days when every man was his own farmer, his own cobbler and tailor, that might perhaps suit some of them better. But they could not put back the hands of the clock in that way. Moreover, man was a social animal who liked to live in society, and so long as he lived in society he must, whether he liked it or not, conform to its usages. To those who were not prepared to do this, but wanted to be Individualists, he would say there was plenty of room for them in Africa and the north-west of America, and if they did not like the regu-

lations which society imposed upon them they can emigrate or go to another world. As to a man enjoying his capital, such a thing was absurd: a man did not enjoy capital. It was only when wealth was used for the exploitation of labour that it was capital at all. A man could enjoy a beautiful mansion, splendid garden and horses, etc., but these were not capital. It was only when in the process of producing profit for the individual that wealth became capital, and a man could not be said to enjoy his mills or factories or the slums in which the workers were housed, all of which were owned, not for the pleasure they afforded their owners—who, in many cases, seldom saw them—but because they were a source of profit, a means of exploitation—in other words, “capital.” Mr. Simpson complained about his classing the capitalist with the burglar. He did not know whether Mr. Simpson was going to take the side of the burglar or not. If he did he could certainly understand him complaining. The comparison was certainly

UNFAIR TO THE BURGLAR.

At any rate, there was this much to be said for the burglar, that he only robbed the rich while the capitalist robbed the poor. It was because a man was propertyless and naked that the capitalist robbed him. It might be true, but if the condition of the workers to-day was better than it was fifty years since, as Mr. Simpson told them, things must have been very bad half a century ago. But why did he go back fifty years? Because fifty years ago was one of the worst periods in English history, before the passing of the Factory Acts—that piece of State Socialism with reference to which he challenged Mr. Simpson to say a word—when the laws against labour combination were in full swing. It was only so far as the workers had accepted the Socialistic principle and, sinking their individuality, had joined combinations for the common good, that they had improved their position in the slightest degree. But the condition of the worker had only improved in a comparative degree. The means for producing wealth had been increased over and over again, and the class above the workers had benefited ten thousand times as compared with the workers. He was quite prepared to back up the programme of the Social-Democratic Federation. Railways derived their value from the social labour of those engaged in constructing them, and to-day would be worthless but for the community living around them. They should, therefore, be national property, and the State should be prepared to take them with or without compensation. They knew what Emerson said about the slave business:—

Pay ransom to the owner,
 And fill the bag to the brim ;
 But who is owner ? The slave is owner ;
 And ever was ; pay him.

He maintained that if any men had a claim to compensation for the railways, it was the men who made the line and laid down the rails. These were now in the grave, and they would have a difficulty in compensating them, and he protested against compensating those who had simply exploited the labour of these men.

THE QUESTION OF COMPENSATION

was largely a question of expediency. If when the popular mind was educated up to the position of these railways being made public property they were sufficiently strong to say they would take them over without compensation, then it would be done. If, on the other hand, it was deemed more prudent to give compensation, they could follow that course. It was not so much a question of equity. For instance, the Americans fought out the question of slavery, and England settled hers by buying out the slave owners. The American plan was no doubt the more equitable, but he should not be prepared to say that the British plan was not in the long run cheaper. So in regard to these railway shareholders if it were cheaper to buy them out than shoot them out they would buy them out. (Laughter). Mr. Simpson would tell them that this was gross robbery, but he contended that the railways were not the property of the shareholders at all. It was not the railways that the shareholders cared for, but the profits, and it was only the question of taking from them the power which they used to the detriment of the community. Mr. Simpson spoke about capitalists who had money in building societies. Burnley was one of the last places in the world where he ought to talk about building societies. Thousands of people had been ruined through the pronounced individualism of the directors of the Liberator and other concerns. These were the thrifty men who had benefited by saving their money. Mr. Simpson argued that those who took the risk were entitled to a profit. His contention was that those who saved were entitled to what they had saved and no more. Because a man had saved something it did not give him the right to rob other men for the rest of their lives. With regard to Mr. Simpson's contention about a man saving money and buying a machine and being entitled to the profit that accrued from that machine, he said that man could buy a machine if he liked but had no right to use that machine to rob his fellow man. At

present capitalists used these machines for the exploitation of the workers, and this should be put a stop to. (Cheers).

Mr. SIMPSON again complained of the general use of the word robbery. His conception of robbery was this, to take from a man something which rightly belonged to him without his will or consent simply by superior force. How could railway shareholders be described as robbers in this sense. So far from being robbers of the community and a source of nuisance, they were the

BENEFACTORS OF THE COMMUNITY.

Any men who invested their money in a great undertaking like a railway conferred a benefit on the community, and the best possible proof of the benefit conferred was the support given to them by the community at large. The Lancashire and Yorkshire Railway Company did him an excellent service in allowing him to come from Manchester to Burnley that day for 2s. 3d. Nobody compelled him to use the railway. He went there voluntarily, and agreed to pay them 2s. 3d., and they fulfilled their part of the contract by carrying him to Burnley. That was the very essence of justice between man and man, and the very antithesis of anything in the shape of robbery. To compare the railway shareholder with the slaveholder was absurd. The slave was held without his will or consent, and compelled to work for his master. The railway shareholders compelled nobody to use the railway unless they wanted. He had certainly more respect for the capitalist than to class him as worse than the burglar. When a man laid out his money and provided some extensive works, and found him employment at £2, £3, or £4 a week, and he agreed to go, he had far more respect for that capitalist than for the burglar who came and said, "Hand me your watch, or I will have your life." (Hear, hear.) Moreover he maintained that the great body of working men

PREFERRED TO WORK FOR AN EMPLOYER

than to employ themselves as they had now an opportunity of doing. Mr. Quelch had not challenged his statement as to the State being far more inefficient and far more extravagant in its management of industrial workers than private firms. Here was a very strong argument in favour of private enterprise on the ground of expediency. Mr. Quelch was bound to admit that majorities were not always in the right, and yet he would impose the will of a Socialist majority on the whole of the people. Socialists wanted the State, or, in other words, the majority, to increase its functions, and have far greater powers than it had to-day to interfere with the individual and to regulate his life.

duct. This was unjust and unwise in principle. It was only by the people having the power of individual self-direction, so long as they did not interfere with the like rights of other people, that they could have any guarantee of individual progress or material prosperity. State Socialism, while denying rights to the individual, would give powers to the State. One would like to know how the State derived those powers if the individuals had not got them, for majorities were only composed of individuals, no matter how big they might be. Mr. Quelch's contention that the only factor in deciding the rate of wages to-day was the destitution of the worker, was refuted by the best economical teaching.

Mr. QUELCH said he had not dealt with Mr. Simpson's contention that State administration to-day had failed, and was inefficient as opposed to private enterprise, simply because the time at his disposal had not allowed him to do so. Even the strongest individualist could not overcome the laws and limits imposed by time and space. Mr. Simpson said private enterprise, when it had free scope, was always successful and more efficient than State control. In this Mr. Simpson was entirely wrong; it was not so. But he was not going to be trapped into confusing the present administration with what they (the Socialists) were looking forward to as the future State and future administration. (Hear, hear.) However, take the present State and those things which were under State administration, and he (Mr. Quelch) said they were administered

INFINITELY BETTER

than similar things under private control; if that were not so State control would disappear at once. The State to-day was not under the control of Socialists, but under the domination of individualists. They had the State arsenal, where it had been proved things could be manufactured better and more cheaply than they could be by private capitalists, and he challenged Mr. Simpson to say if that was not the case. If it was not he should call upon his Individualistic friends to repeal legislation of a Socialistic character, and abolish State control in those departments of industry where it already existed. Mr. Simpson objected to the word robbery. He was quite prepared to accept Mr. Simpson's definition of robbery; that it was taking from a man something which belonged to him without his will or consent. How was anything taken from a man without his will but by the use of superior power on the part of the person who took it? How was robbery perpetrated by the capitalist? By the exercise of the superior force which

his monopoly gave him. The worker had to sell his labour or die ; it did not matter to the capitalist. The conditions which the capitalist offered the workers were, generally speaking, that they should get in return for that labour what would keep them alive, all over and above this was taken from them as a condition of their being employed at all, as a condition of their being allowed to live. According to Mr. Simpson's own definition of the term then, he was perfectly justified in applying the term robbery to the capitalist system. Mr. Simpson said it was not the cost of subsistence, but competition that governed wages. That was only an amplification of the former. The basis of wages was the cost of subsistence, and competition in the labour market, intensified by the constantly increasing number of unemployed tended always to force wages down to the minimum cost of subsistence. Socialists wanted to call in the aid of the State to prevent the capitalist robbing the worker, as he did to-day of all that he produced beyond what was necessary to keep him alive. As to liberty, the free workman to-day was bound to sell his labour or starve—free to toil hard for a bare subsistence or to commit suicide ; that was his only means of escape from the tyranny of capital. The slave could always escape by committing suicide. Because they had produced too much they had to starve until somebody else had consumed these necessities. Was that reasonable or just ? They produced these things, and then were compelled to go without until somebody who did not want them had been induced to consume them. Would they not be glad to consume these things themselves ? Why could they not ? Because they had been taken from them by a legal form of robbery. They, the workers, had produced every particle of these things, yet they could not consume them, but must starve for the want of them, because they did not legally belong to them but to those who had, by reason of their control over the means of production, stolen these things from them. A slave was one who was compelled to work for the benefit of another. Here, under the capitalist system, they had all the characteristics of slavery and of robbery. The only way out of this slavery, and the only way to get rid of this robbery was to abolish the economic conditions which had rendered them the abject slaves they were to-day, and place the power in the hands of the community to be used for the common good.

CO-OPERATION v. STATE SOCIALISM.

Mr. SIMPSON occupied his first half hour by asking Mr. Quelch a series of questions. He asked if Mr. Quelch told them that all forms of combination were forms of State Socialism ?

opportunities for getting on to those who already possessed advantages. It did nothing to eliminate the gross injustices of the present system. It did not give the workers control of their own business as Socialism would do, it only fostered the creation of small capitalistic joint stock companies. The very success of these co-operative concerns, of which Mr. Simpson made so much, only went to demonstrate how useless they were to improve the social condition of the workers as a whole.

Socialism was not a "rough-and-ready system of expediency," but a system founded on justice—the justice which decreed that opportunity should be afforded to all who were able to work to do so, and that they should receive all they produced by their labour; that he who would not work should no longer be allowed to live on the labour of others; that the fundamental injustice of the present system, which took advantage of the necessity of the workers to rob them of three-fourths of what they produce, should be removed by placing the ownership and control of all the means of production in the hands of the community, to be used for the common good.

The debate then closed, and the gathering separated, after a vote of thanks had been passed to the chairman.

